CRANGANUR		This had to be sanctioned urgently in connection with a lease involved in a suit and was met by transfer from the savings under 'Deputy Tahsildars' in 1107.
1. Land Revenue	237—0—0	
O. Refunds		
12. Jails		The actual requirement under 'Establishment of Warders' in 1107 fell short of the allotment by Rs. 24 and this had to be sanctioned being an inevitable payment.
Establishment of Warders	24—0—0	

SUPPLEMENTARY GRANTS.

(1) 7—Excise—Refunds—Rs. 6,645.

Mr. M. P. Cherian.—Sir, I rise to move for an additional allotment of Rs. 6,645 under 7—Excise—Refunds. The amount represents the duty levied on 5,316 maunds of salt jettisoned during the year 1106. As per the rules, full duty has to be levied on salt short delivered by the contractors; but the contractors petitioned the Government that this quantity was jettisoned at sea due to bad weather and that the duty collected may be refunded to them. Having regard to the circumstances of the case, Government ordered that the refund should be made. As this item of expenditure could not be fereseen when the departmental budget was framed, it was not provided for in the original budget. Since funds for bare necessity have alone been provided for under other heads re-appropriation is also not possible. I request, therefore, that the House may be pleased to grant the additional allotment.

Motions Nos. 1—3.

Mr. K. T. Mathew.—In view of the fact that the head of the department has not been sufficiently long in this department and as he has not been able to study the problems connected with Excise, I withdraw the motions so as to give him sufficient time to be ready with them for the next meeting.

Hence the following motions were considered withdrawn.

Mr. K. T. Mathew.—*To reduce the supplementary demand of Rs. 6,645 for Excise, by Re. 1.*

Mr. K. T. Mathew.—*To reduce the supplementary demand of Rs. 6,645 under 7, Excise, by Re. 1.*

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Mr. K. T. Mathew.—*To reduce the supplementary demand of Rs. 6,645 under 7, Excise, by Re. 1.*

Demand put and carried.

(2)—10—Forests—Rs. 20,955.

Mr. T. Narayana Menon.—Sir, I beg leave to move for a supplementary grant of Rs. 20,955 under 10—Forests for the reasons explained in the note for the Standing Finance Committee. I may be permitted to add the following further explanation.

When standing forest growth is put up for sale under the seigniorage system it is found that only comparatively poor prices are offered by intending purchasers, especially under the present slack conditions of the timber market. If such offers are accepted, the purchasers are able to flood the market with cheap timber with the result that not only Government sales suffer but ultimately, on account of the mutually destructive competition, it spells ruin to the timber merchants themselves. It is because the evil effects of the system became so evident of late with the depression in the trade, that the necessity for discouraging the system arose.

It may also be mentioned that in the case of the particular contract under reference, which was in the first instance proposed to be given under the seigniorage system, two attempts were made last year to dispose of the timber by seigniorage, first by tender and then by auction, but no one responded to the auction or tender notices. Departmental collection is now being undertaken only after an assured demand at good prices has been found and the anticipated financial results is more favourable than that expected under the seigniorage system, being Rs. 9,000 as against Rs. 6,000.

Under these circumstances I request that the House may be pleased to grant the demand.

Mr. A. Sankara Poduval.—A few points for information. Have these trees to be cut afresh, collected and supplied?

Mr. T. Narayana Menon.—Yes.

Mr. A. Sankara Poduval.—Have not you got stock from which these could be supplied?

Mr. T. Narayana Menon.—We have not got sufficient stock.

Mr. A. Sankara Poduval.—Is this transaction expected to close during the year with a probable gain of Rs. 9,000?

Mr. T. Narayana Menon.—It is expected to close during the year.

Mr. P. Krishna Menon.—By way of information. Is

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